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Jul 31, 2025	PNB's Chandra Sees 11-12% Credit Growth in FY26	The Economic Times	5Editions	5	Dheeraj Tiwari

RECORD ₹7K CR QUARTERLY OPERATING PROFIT

PNB's Chandra Sees 11-12% Credit Growth in FY26

MD says clean energy a champion sector for PSB as loan book grows to ₹21,354 cr

Dheeraj Tiwari

New Delhi: State-run Punjab National Bank, which exceeded the ₹7,000-crore mark in quarterly operating profit for the first time, expects credit growth of around 11-12% in FY26, Ashok Chandra, managing director, told **ET**.

Operating profit of the lender touched ₹7,081 crore in the June quarter, paced by income from treasury, loan recoveries, and other non-interest income components like processing fees.

Chandra said PNB's corporate loan book, which is under development at different stages, is at ₹129,000 crore, and the lender should be able to maintain around 9-10% growth in this segment.

"I think a lot of disbursements have started happening in July. From Q2 onwards, good disbursements should happen in the system, because now MCLRs are also reduced, so we have also reduced them by 15 basis points. All those things will have an impact on corporates, encouraging them to come forward," he said.

Renewable energy is one of the champion sectors for the bank, and the loan book has grown to ₹21,354 crore from ₹14,400 crore in June 2024.

On Tuesday, the bank posted a 48% decline in standalone net profit at ₹1,675 crore for the quarter, on account of higher tax expenses. The bank posted a net profit of ₹3,252 crore in year-ago period.

"We have adjusted the entire tax outgo with that minimum alternate tax, or MAT, which we had accumulated. Now, this year, if we are not migrating, then we are supposed to pay the actual tax at 35%, whereas for the new tax regime, it is around 25%," Chandra explained, noting a 10% saving will get reflected going forward.

Managing director Ashok Chandra

The bank's asset quality improved as gross non-performing assets (NPAs) declined to 3.78% of gross advances at end of the June quarter, from 4.98% a year ago.

CAPITAL RAISING

Chandra noted that although the bank has approvals to raise ₹8,000 crore, the lender has a sufficient capital to risk assets ratio or CRAR, of 17.5%, and even the Common Equity Tier, or CET-1, is also more than 12.5%.

SALE IN SUBSIDIARIES

The PNB managing director noted that they will offload a 10% stake in Canara HSBC Life Insurance when the insurer lists itself on the bourses in the second or third quarter of this fiscal year. "Other than that, no immediate plans," he said.

On the Supreme Court order that scrapped JSW Steel's ₹19,700-crore acquisition of Bhushan Power and Steel (BPSL) four years ago, citing "gross violation" of the IBC, Chandra said the SC has agreed to take up the review petition.

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Date	Headline	Publication	Edition	Page	Source
Aug 01, 2025	'Min balance fine removal may benefit PNB in on run'	Business Standard	7Editions	4	Harsh Kumar

'Min balance fine removal may benefit PNB in long run'

Q&A Punjab National Bank (PNB) — which did not disburse any credit to startups in the (FY25) — has now set up seven startup-focused centres across the country to boost lending, its managing director and chief executive officer, **Ashok Chandra**, said in an interview with **Harsh Kumar** at PNB headquarter in New Delhi. Chandra also said the state-owned lender was planning to list its subsidiary, Canara HSBC Life Insurance, by the third quarter of FY26 and would dilute 10 per cent of its current 23 per cent stake. Edited excerpts:

How do you view the potential impact of the 25 per cent tariff imposed by the US, particularly on Indian industry?

▪ I see this from a different angle. If you look at countries that are facing these tariffs, 35 per cent in textiles for example, it gives Indian exporters a competitive edge. This could help us scale up, expand our market presence, and penetrate new markets more effectively. For now, we are studying our portfolio to assess how many of our borrowers are exporters and how they may be impacted. It's too early to say definitively, as more clarity is needed. But overall, I view this as a growth opportunity for India, as competing countries are now subject to higher tariffs.

PNB has recently removed the penalty on not maintaining a minimum balance in savings accounts. Will this impact your bank's income?

▪ The income from minimum balance penalty was around ₹300 crore annually, which isn't significant for a bank of our size. We'll make up for it through other revenue-generating activities. In fact, this move could lead to an increase in the number of savings accounts. So, in an indirect way, it could be beneficial for us in the long run.

Why PNB didn't extend loan to the startup sector in FY25. What was the reason?

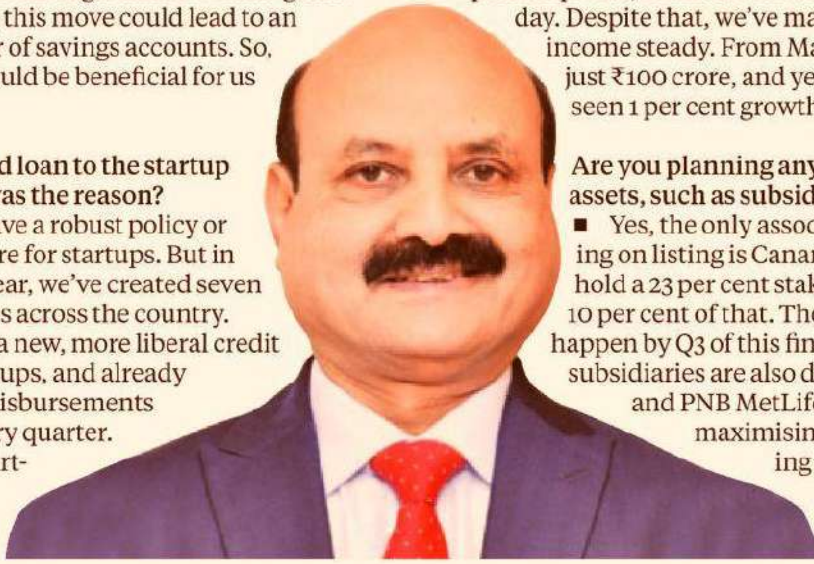
▪ Earlier, we didn't have a robust policy or dedicated infrastructure for startups. But in the current financial year, we've created seven startup-focused centres across the country. We've also introduced a new, more liberal credit policy tailored for startups, and already begun lending, some disbursements have happened this very quarter. Secondly, we lacked partnerships with incubation centres, especially at India Institute of Technologies, unlike some of our peers. But that is changing. We're now in discussions with IIT Mumbai, Delhi, Chennai, and Kanpur to tie up with their incubation centres. These are places where many promising startups emerge, and we plan to sign MOUs to support them from the incubation stage itself. This year, you'll definitely see PNB becoming more aggressive in the startup funding space.

RBI has changed the repo rate in recent two monetary policies. How is that impacting your strategy, especially on NIMs (net interest margins)?

▪ Our domestic NIM currently stands at 2.84 per cent. Including our overseas portfolio of ₹55,000 crore, the global NIM is around 2.70 per cent. About 47 per cent of our loan book is linked to the repo rate, and we immediately pass on any changes to these RLLR (Repo Linked Loan or Lending Rate) linked accounts. For example, if there's a 100 basis point repo cut, it reflects in our lending the next working day. Despite that, we've managed to keep our interest income steady. From March to June, the dip was just ₹100 crore, and year-on-year we've actually seen 1 per cent growth.

Are you planning anything with your non-core assets, such as subsidiaries or associates?

▪ Yes, the only associate we are currently working on listing is Canara HSBC Life, where we hold a 23 per cent stake. We're planning to dilute 10 per cent of that. The listing is expected to happen by Q3 of this financial year. Our other subsidiaries are also doing well, PNB Housing and PNB MetLife. There's a clear focus on maximising value through either listing or internal strengthening.



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Aug 01, 2025	State-run PNB expects MTNL debt resolution in 4 months	Mint	7Editions	8	Harsh Kumar

State-run PNB expects MTNL debt resolution in 4 months

Anshika Kayastha & Shayan Ghosh

MUMBAI

MTNL's troubles have mounted over the past decade amid dwindling landline customers.

State-owned telecom operator Mahanagar Telephone Nigam Ltd's (MTNL) debt resolution is expected in the next 3-4 months, a top official of one of its lenders said on Thursday.

While there is no specific update at the moment, several discussions are underway regarding the resolution of the company's loan account and it will take some time for all stakeholders to "crystallize the entire issue", Ashok Chandra, managing director and chief executive, Punjab National Bank (PNB), said in an interview. "We are looking for some resolutions to happen in that account and some discussions are happening at different levels...definitely something is going to happen in another 3-4 months' time," said Chandra.

MTNL was set up in 1986 and provides fixed-line telecommunication services in New Delhi and Mumbai. Its public-sector peer BSNL provides services in the rest of the country. MTNL owes ₹474.66 crore to PNB.

The telco first defaulted on loans on 30 June 2024, when its total dues were ₹7,780.21 crore, according to stock exchange disclosures. Union Bank of India — the leader of the consortium of lenders — classified the loans as non-performing assets in August 2024, followed by Bank of India, Punjab National Bank, State Bank of India, and UCO Bank in September 2024. Punjab and Sind Bank and Indian Overseas Bank classified the loans as non-performing assets in October 2024 and February, respectively.

According to stock exchange disclosures, MTNL first defaulted on loans on 30 June 2024

Lenders have a cumulative exposure of ₹8,585 crore to MTNL as on 30 June, according to the company's regulatory filing.

MTNL's troubles have mounted over the past decade amid dwindling landline customers and the company's inability to keep up with the infrastructure advancements by private competitors. *Mint* reported on 25 July that lenders' plans to buy property from the defaulting telco and adjust it against dues have stalled due to curbs on the sale of these assets and land-usage norms. Meanwhile, Chandra is optimistic about loan recoveries for the year, pegging the figure for FY26 at over ₹16,000 crore.

Net recoveries for Q1 stood at ₹3,249 crore. The lender saw loan slippages worth ₹1,792 crore during the quarter, with the largest year-on-year increase in slippages seen in MSME loans. However, Chandra remains optimistic on the sector, saying that small businesses remain one of the biggest lending opportunities.

"We are putting lot of focus. We have brought in a lot of the digital piece in that, and through all those activities we are going for outreach programmes in the MSME clusters, various activities are happening in the field. We are very confident that this sector is going to give good contribution to our bank," he said.

Micro, small, and medium enterprises (MSME) loans for the bank grew 18.6% on year and 4.1% on quarter to ₹1.7 trillion as at the end of June.

Chandra also doesn't anticipate stress in the unsecured loan segment, given that the bank's exposure is limited to personal loans to the salaried customers, education loans and credit cards. Overall, he sees retail loan growth remaining strong through FY26 led by housing, vehicle and educational loans–which remain focus areas for the bank in addition to expectations of a pick in agriculture loans Q2 onwards.

"Overall for the RAM (retail, agriculture, MSME) sector put together, a lot of opportunities are there across the geography, and banks have to seize that opportunity," he said.

The bank reported a net profit of ₹1,675 crore in the three months through June, down 49%.

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For an extended version of this story, go to livemint.com

Date	Headline	Publication	Edition	Page	Source
Aug 01, 2025	'Credit growth in FY26 will not be impacted by low deposit growth'	The Hindu Business Line	8Editions	10	Harsh Kumar

'Credit growth in FY26 will not be impacted by low deposit growth'

bl.interview

Shishir Sinha
New Delhi

Lower guidance for deposit growth will not impact credit growth during the current fiscal, Ashok Chandra, Managing Director and CEO of Punjab National Bank, has said. He told *businessline* that the higher fresh slippage in MSME segment is due mainly to below ₹10-lakh accounts.

Edited excerpts:

Your profit is down around 49 per cent, but your operating profit is at an all-time high. How do you read these two numbers?

We have migrated from the old tax regime to the new tax regime and because of that our DTA (Deferred Tax Assets) also have to be recalculated based on the new regime. Earlier, DTA calculation happened at 34.99 per cent, which has to be recalculated at 24.99 per cent, so there is a 10 per cent difference, and when we recalculate the tax on the DTA, that amount has to be calculated as a tax component.

Along with this year's income tax on that operating profit, the number comes to ₹5,083 crore. This amount has been provided as tax in the June quarter. Migration from the old tax regime to the new tax regime is a one-time exercise and from this quarter, if we record the same operating profit, our net profit will be ₹5,000-crore plus.

What are the reasons behind your all-time high operating profit?

The treasury book has contributed a lot because when we saw interest rates were going to come down in FY26, during the March quarter we built a treasury book of ₹5 lakh crore, which we are currently holding. With interest rates coming down, our old investments are going to give us income from the treasury side. We have also realised good recovery from technical write-offs and the overall recovery. With advances rising, we have made good earnings on processing fees also.

> Although deposit guidance is at 9-10 per cent, we have grown at 12.86 per cent in this quarter
>
> **ASHOK CHANDRA**
> MD and CEO,
> Punjab National Bank

Slippage in the MSME segment is up 51.4 per cent, what are reasons for that?

Last year, during Q1, our MSME fresh slippage was ₹638 crore and this year, it is ₹966 crore. If you see Q4 (FY25), slippage was around ₹995 crore. We have found that 80 per cent of those loans are below ₹10 lakh — MUDRA kind of loans.

We initially brought the end-to-end digital process for loans up to ₹10 lakh, which has been raised to ₹25 lakh. We will make the end-to-end digital process mandatory for MUDRA loans. And in two months, MSME loans of up to ₹25 lakh will be done through the digital channel only.

Guidance pegs credit growth at 11-12 per cent for the full year, as against around 10 per cent achieved in Q1, but deposit growth has been projected at 9-10 per cent for the entire fiscal vs around 13 per cent in Q1. Will this not impact your credit projection?

We have given a low guidance because our CD ratio is 71.24 per cent; we have enough room with the existing deposit itself to go for credit growth. Absolutely, there is no challenge, because if you take CRR (3 per cent) and SLR (18 per cent) together, 21 per cent is blocked, which means you have a 79 per cent kitty available for lending. And we have reached only up to 71 per cent. Although deposit guidance is at 9-10 per cent, we have grown at 12.86 per cent in this quarter. We had mentioned earlier that we would surpass the conservative guidance we have set.

You have removed the penalty for non-maintenance of minimum balance in saving accounts. How will you recover this amount?

We are on a growth curve. We have revamped our entire CASA product and, accordingly, all SB products were revamped on April 12. We have built a good SB individual portfolio this quarter — 26 lakh good quality accounts have been opened and accretion in the SB individual is ₹4,600 crore. The CASA ratio is down, as institutional deposits are going out of the system.

The CNA and SNA account, which the Government of India or the States used to keep, now goes directly to the RBI and from there to the bank branches for direct payments now. But since we are growing in the SB individual segment and consequently CASA, we are getting those funds at 2.5-2.7 per cent. This will take care of this loss.

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Jul 31, 2025	'We aim to grow RAM portfolio to 60%'	The Financial Express	10Editions	10	Kshipra Petkar; Prasanta Sahu

ASHOK CHANDRA, MD & CEO, PUNJAB NATIONAL BANK

'We aim to grow RAM portfolio to 60%'

Punjab National Bank aims to revamp its credit card vertical and is focusing on supply chain financing to acquire new businesses and expand the credit growth. The bank targets 9-10% deposit growth and 11-12% credit growth in FY26, managing director and CEO **Ashok Chandra** *tells* **Kshipra Petkar** *&* **Prasanta Sahu** *in an interview. Excerpts:*

Q&A

Credit growth is trailing deposit growth. How does PNB plan to reverse it?
We are putting a lot of focus on the RAM (retail, agri and MSME) segment. The MSME growth in the June quarter stood at 18.6% and the core retail grew at 17.7%. We are keen on improving the RAM portfolio — from around 56.5% to at least 59-60% — in the total credit. The corporate sector will account for 40%. We have a corporate loan book sanction of ₹1.29 lakh crore. We are making sure that loan disbursement decisions are very fast.

What is your guidance on credit and deposit growth for FY26?
We have given guidance of 9-10% for deposit growth and 11-12% for credit growth.

What is the deposit mobilisation strategy, especially CASA?
We have special schemes for salaried, non-salaried, women, youth, pensioners, senior citizens and defence personnel. With all these schemes, a host of facilities is being offered like free life insurance, accident insurance, OTT subscription and medical check-up. We are getting encouraging results.

WE HAVE GIVEN A GUIDANCE OF 9-10% FOR DEPOSIT GROWTH & 11-12% FOR CREDIT GROWTH

You have announced a separate credit card vertical. What's the strategy?
We are revamping the entire credit card vertical. We are also going for digital improvement. There will be different layers of cards for HNIs, NRIs and other segments. PNB cards are not marketed properly. We have made it a point to approach corporate clients with card and other loan offers for their staff. It is one area where many banks are making a lot of profits. We have also created a cash management vertical. Vast opportunities lie in supply chain and dealer financing, and there are a very few players.

What are your capital raising plans for FY26?
We are not looking for capital raising as such, as our CRAR is at 17.5% with common equity Tier I at 12.95%. Still, we have taken an approval from the board for raising ₹8,000 crore of Tier I and Tier II capital.

Are you planning monetisation of any of the non-core assets?
We have a stake of 23% in Canara HSBC Life Insurance Company. It is likely to be listed by the third quarter. We are planning to offload 10%.

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Aug 02, 2025	PNB to save nearly Rs 700 crore every quarter after shift to new tax regime	The New Indian Express	4Editions	15	Bureau

PNB to save nearly ₹700 crore every quarter after shift to new tax regime

DIPAK MONDAL @ New Delhi

STATE-run Punjab National Bank (PNB) expects to save nearly ₹700 crore every quarter, or ₹2,800 crore annually, following its transition from the old corporate tax regime to the new one, D Surendran, executive director, Punjab National Bank, told TNIE in an exclusive interaction.

The bank took a one-time hit of ₹3,300 crore in the April–June quarter (Q1FY26) due to a mandatory provisioning linked to deferred tax assets, which sharply reduced its net profit year-on-year. But the Surendran said the move is a strategic one that will boost profitability in the coming quarters.

"Under the old regime, we were paying close to 35% in taxes. The new regime brings it down to about 25%. So, despite the one-time provision, we will save approximately ₹700 crore every quarter going forward," the he said, calling it a "prudent long-term decision."

Despite the accounting impact, the bank reported strong underlying performance in Q1. Profit before tax rose 28.3% to ₹6,758 crore, while operating profit crossed the ₹7,000 crore mark, the highest ever for the lender. The executive director of the PSU bank acknowledged that the bank's net interest income (NII) growth was moderate (grew at 1%) year-on-year and declined (-1.7%) sequentially, but attributed it to the time lag in deposit repricing amid falling interest rates.

"When RBI cuts rates, the benefit is passed on to borrowers almost immediately due to EBLR (External Benchmark Lending Rate). But deposit rates, especially those contracted at higher levels, take time to adjust," explained Surendran. The bank expects a recovery in NII by the third or fourth quarter of the fiscal.

Under the old regime, we were paying close to 35% in taxes. The new regime brings it down to about 25%. Despite one-time provision, we will save ₹700 cr every quarter

D Surendran, executive director, PNB